

ORDER TO SHOW CAUSE NO. E16-68

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

_____)
Proceedings by the Commissioner)
of Banking and Insurance, State) ORDER TO SHOW CAUSE
of New Jersey, to fine,) SEEKING IMMEDIATE LICENSE
suspend, and/or revoke the) SUSPENSION PENDING COMPLETION
insurance producer license of) OF ADMINISTRATIVE PROCEEDINGS
Wayne M. Citron, Reference No.)
8063623)
_____)

TO: Wayne M. Citron
6 Carter Drive
Marlboro, NJ 07746

This matter, having been opened to the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Wayne M. Citron ("Respondent") licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32, may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent is subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, regulation, subpoena or order of the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(6), an insurance producer shall not have been convicted of a felony or crime of the fourth degree or higher; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), an insurance producer shall not use fraudulent, coercive or dishonest practices; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45d, in any formal proceeding, if the Commissioner finds that the interests of the public require that immediate action be taken prior to completion of the hearing, the making of a determination and the entry of a final order, he may enter an appropriate order to be effective pending completion of the hearing and entry of a final order; and

WHEREAS, pursuant to 18 U.S.C. 1033(e) and N.J.A.C. 11:17E-1.3, no person who has been convicted of a felony involving dishonesty or breach of trust shall engage in the business of insurance without the written consent of the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:17E-1.2, a felony means any crime identified as an offense of the first, second, third, or fourth degree pursuant to N.J.S.A. 2C:1-4 and 43-1; and

IT APPEARING that on February 5, 2015, the New Jersey State Grand Jury returned Indictment SGJ664-15-9 ("Indictment") against the Respondent; and

IT FURTHER APPEARING that the Indictment charged Respondent with Insurance Fraud in the second degree and Attempted Theft by Deception in the third degree in the amount of \$2,800.00; and

IT FURTHER APPEARING that the Indictment alleged that Respondent "knowingly made, or caused to be made false, fictitious, fraudulent, or misleading statements of material fact or knowingly did omit or cause to be omitted material facts, as part of, in support of, or in connection with a claim for payment, reimbursement, or other benefit in the approximate amount of \$2,800.00 for food spoilage made to New Jersey Manufacturers Insurance Company"; and

IT FURTHER APPEARING that the Indictment alleged that Respondent "purposely did attempt to obtain property in the approximate amount of \$2,800.00 from New Jersey Manufacturers Insurance Company by creating or reinforcing a false impression that a utility pole and wires connecting power to 67 Linda Road,

Manahawkin, New Jersey 08050 had been knocked down by the wind";
and

IT FURTHER APPEARING that on or about January 4, 2016, Respondent pleaded guilty to Count 1 of the Indictment charging him with one violation of Insurance Fraud pursuant to N.J.S.A. 2C:21-4.6; and

IT FURTHER APPEARING that said charge was amended to a third degree crime; and

IT FURTHER APPEARING that on April 19, 2016, Respondent was convicted of Insurance Fraud in the third degree pursuant to N.J.S.A. 2C:21-4.6 and sentenced to two years of probation and a fine of \$2,500.00; and

IT FURTHER APPEARING that Respondent's conviction constitutes a felony involving dishonesty or breach of trust in accordance with N.J.A.C. 11:17E-1.2; and

IT FURTHER APPEARING that, pursuant to 18 U.S.C. § 1033(e) and N.J.A.C. 11:17E-1.3(a), Respondent cannot engage in the business of insurance as a result of said conviction until such time as he obtains a written waiver from the Commissioner; and

IT FURTHER APPEARING that the Commissioner has not issued a waiver to Respondent, and as a result, Respondent cannot legally engage in the business of insurance in this State; and

IT FURTHER APPEARING that Order to Show Cause E15-104 seeking revocation, monetary penalties, and costs, as appropriate, was issued on September 10, 2015; and

IT FURTHER APPEARING that, pursuant to N.J.S.A. 17:22A-45d, the Commissioner is empowered to immediately suspend the license of an insurance producer, if the Commissioner finds that the interests of the public require immediate suspension prior to the completion of formal administrative proceedings; and

NOW, THEREFORE, IT IS on this 1st day of August, 2016

ORDERED that Respondent appear and show cause why his license should not be temporarily suspended pursuant to the provisions of N.J.S.A. 17:22A-45d; and

IT IS FURTHER ORDERED that Respondent shall file and serve answering certifications, briefs and any other evidence on which he intends to rely not more than seven days from the date of service of this Order to Show Cause. Respondent's answering papers shall be filed with Denise Illes, Chief of Legislative and Regulatory Affairs, Department of Banking and Insurance, P.O. Box 329, Trenton, New Jersey 08625 with a copy to be sent to Petitioner's counsel, Deputy Attorney General Kevin J. McGowan, 25 Market Street, P.O. Box 117, Trenton, New Jersey 08625, Fax #609-777-3503; and

IT IS FURTHER ORDERED that the Petitioner, Department of Banking and Insurance, may serve replies thereto not more than seven days after filing of Respondent's opposition; and

IT IS FURTHER ORDERED that if Respondent fails to respond to this Order to Show Cause Seeking Immediate License Suspension, then the proposed Order for Immediate License Suspension shall be entered forthwith.



Peter L. Hartt
Director of Insurance